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S. C. PUBLIC SERVICE COMMISSION
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STATE OF SOUTH CAROLINA

BEFORE THE

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 98-129-C

S. C. PUBLIC SERVICE COMMISSION
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APR 24 1998
UTILITIES DEPARTMENT

In Re:

APPLICATION OF STATE COMMUNICATIONS,)
INC. FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO PROVIDE)
LOCAL EXCHANGE AND LONG DISTANCE)
TELECOMMUNICATIONS SERVICES)

TESTIMONY OF
HAMILTON E.
RUSSELL

Q. Please state your name and business address.

A. My name is Hamilton E. ("Bo") Russell III and my business address is 200 North Main Street, Suite 303, Greenville SC 29601.

Q. By whom are you employed and in what capacity?

A. I am the Vice President and General Counsel of State Communications ("State").

Q. Please give a brief description of your responsibilities with State, as well as your legal background and experience.

A. At State, I am responsible for addressing the various legal and regulatory matters that arise in the course of becoming a certified provider of local and long distance telecommunications services. I oversee and coordinate the application process taking place in a number of states, and provide counsel on a variety of transactional,

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contractual, and marketing matters for the company. Prior to joining State, I was an associate with the firm of Haynsworth, Marion, McKay, and Guerard in Greenville from 1995 until early 1998. I received a *Juris Doctor* from the University of South Carolina in May of 1995, and a Bachelor of Arts from Washington and Lee University in 1992.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe the nature of State's proposed service offerings within the State of South Carolina and to demonstrate its financial, managerial, and technical ability to provide local and long distance telecommunications services within the State of South Carolina.

Q. Do you wish to incorporate by reference any documents into your testimony?

A. Yes. I wish to incorporate by reference the underlying Application filed in this proceeding and its associated exhibits.

Q. Has State registered to do business in South Carolina?

A. Yes. State is a South Carolina corporation duly authorized to do business in South Carolina. Copies of the Articles of Incorporation and Certificate of Authority to Transact Business in the State of South Carolina are attached to State's application as Tab I.

Q. Please describe the services State intends to provide within the State of South Carolina.

A. State is a reseller of interexchange telecommunications services in equal access (Feature Group D areas). State intends to provide switchless interexchange telecommunications services from points of origin within the state of South Carolina to points of termination within South Carolina, other parts of the United States, and foreign countries. State also seeks certification to provide all services that can be provided by a local exchange carrier. State will operate as a switchless or bundled reseller, initially relying exclusively on the resold services of the incumbent LECs' retail services.

Q: Does State own the switch used in routing calls?

A: No. State initially will use the facilities of its underlying carrier to originate and terminate all calls.

Q. What carrier will State utilize as its underlying carrier for the resale of interexchange telecommunications services in South Carolina?

A. State will base its decisions regarding which carrier it will utilize upon State's analysis of facility cost, suitability and quality of service. It will only utilize carriers properly certified by this Commission to provide service in the State of South Carolina. State currently utilizes the interexchange carrier services of Frontier Communications of the West, Inc., other certified IXC's, and BellSouth Telecommunications, Inc. ("BellSouth").

Q. What types of customers does State intend to serve?

A. State plans to serve both residential and business customers, offering a bundled product of local and long distance services.

Q. Has State provided any intrastate telecommunications services within the state of South Carolina?

A. No, it has not.

Q. When does State expect to be able to provide service in South Carolina?

A. With regard to local service, State hopes to enter the South Carolina market shortly after receiving certification and filing its final tariff with the Commission. State has executed an agreement with BellSouth to resell the local services of BellSouth in South Carolina. That resale agreement was filed with the Commission, assigned Docket No. 98-035-C, and approved by the Commission on February 3, 1998. State will begin to provide interLATA interexchange services upon approval of its final tariff by the Commission.

Q: Will State's tariff comply with the rules and regulations of the Commission applicable to Companies reselling the proposed services?

A: Yes.

Q. Will State comply with the Commission's orders regarding the resale of interexchange carrier services?

A. Yes. State will at all times provide and market interexchange carrier services in accordance with current Commission policies. In particular, State is familiar with Commission Order No. 93-462 regarding resale of intraLATA telecommunications services, and will attempt to comply with the terms of that order and any subsequent orders relating to intraLATA calling in every respect possible. In addition, State at all times provides interstate services in compliance with all FCC rules and regulations.

Q: Will State provide free blocking of 900 and 700 type services?

A: Yes.

Q: How are billing errors and complaints handled?

A: State has a dedicated Customer Service Division, staffed by over 20 employees whose sole function is to provide assistance to State's customers. State has a policy of responding to complaints and customer inquiries in a rapid, efficient manner. When a billing error is brought to State's attention, State's Customer Service Representative retrieves the customer's call detail and issues a credit applied to the customer's next bill. If the Customer Service Representative cannot resolve a problem with the Customer, Management will handle the problem. If Management cannot resolve the problem, Management shall refer the customer to the Commission. Our Customer Service Representatives have call detail electronically available for review, and

archived summaries of customers' bills include the customer's complete history with State.

Q. How will South Carolina customers contact State's customer service division?

A. Customers can call State's toll-free number 24 hours a day, seven days a week, which is 1-800-800-9861. The number will be provided and printed on monthly billing statements.

Q. Has State requested certification for local and long distance telecommunications authority in any other state?

A. State has received certification to provide local and long distance telecommunications services in the State of Kentucky. In addition to its application here in South Carolina, State has applications pending in North Carolina, Georgia, Alabama, Florida, Tennessee, Mississippi, and Louisiana.

Q. Does State have sufficient managerial resources and abilities to provide telecommunications services in South Carolina?

A. Yes. The management team of State has considerable experience in management, marketing, network operations, customer service, and financial and accounting issues. The company profile is attached to State's Application as Tab IV. State's officers have many years of experience in the telecommunications field, and have played integral roles in the operations of carriers such as Corporate Telemanagement Group ("CTG"),

LCI International (“LCI”), and Business Telecom, Inc. (“BTI”).

Q. Describe State’s financial ability to provide local and long distance services.

A. In support of State's financial ability to provide the services sought herein, State filed its most recent annual report and accompanying financial disclosure statements with the Commission as Tab III to the Application in this proceeding. At the time of hearing, if necessary, I will provide further testimony to support State's financial ability to provide the services set forth in its Application.

Q. How will the people of South Carolina benefit from State’s services and presence in South Carolina?

A. State will improve the overall quality and variety of services available in South Carolina by providing business and residential customers competitive rates and capable, responsive customer service. By offering customers greater variety and choice among local exchange and interexchange carriers, State’s entry into South Carolina will increase competition in the local and long distance markets, and motivate other companies to provide innovative services, improve the quality of their networks, and lower prices. As a South Carolina-based carrier, State looks forward to being able to provide its services to customers in its home state.

Q. Does this conclude your testimony?

A. Yes it does. I would like to thank the Commission for this opportunity to provide information relevant to State's Application and stand ready to provide any additional information that the Commission may need in making its decision.

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